

**PRESENTATION OF THE
OFFICE OF GOVERNOR**

TO THE HOUSE COMMITTEES
ON EDUCATION AND JUDICIARY

TWENTY-SECOND LEGISLATURE
Regular Session of 2004

Friday, January 30, 2004
2:00 p.m.

**TESTIMONY ON HOUSE BILL NO. 2331 – PROPOSING AMENDMENTS TO THE
CONSTITUTION OF THE STATE OF HAWAII RELATING TO PUBLIC EDUCATION**

TO THE HONORABLE ROY TAKUMI, CHAIR, THE HONORABLE ERIC HAMAKAWA,
CHAIR, AND MEMBERS OF THE COMMITTEES:

My name is Mark Recktenwald, Director of Commerce and Consumer Affairs, testifying on behalf of the Office of the Governor in support of H.B. No. 2331, the Let The People Decide Act of 2004. I participated in the committee that worked with the Governor in drafting the proposed constitutional amendment bill. I am here to explain the technical side of the bill, what we did and why.

The purpose of this bill is to propose a constitutional amendment that would reform the existing public education system by replacing the existing Department of Education (DOE) and Board of Education (BOE) with at least seven elected local school boards and a statewide education standards and accountability commission.

Everyone seems to agree that there is a need for greater accountability and clarification of the roles of those involved in the public education system. To achieve this, the CARE report recommended replacing the existing BOE and DOE with a decentralized governance structure requiring fewer administrators and getting more money into the classroom. CARE recommended moving decision-making authority closer to the affected communities by forming local school boards to be responsible for the operation, management, and oversight of schools within their area. The CARE Report also recommended creating a central agency responsible for setting statewide performance standards and allocating funding fairly to all public schools.

H.B. No. 2331 establishes the framework needed to implement CARE's recommendations. Section 2 of the bill adds two new sections to the Article X of the State Constitution. The first section establishes local school boards throughout the State to be elected from at least seven school districts. It was intended that the seven

initial districts be based on the existing districts used by the DOE. The reference to “at least” seven districts makes clear that additional districts can be created in the future, if the affected communities desire it.

The local school boards would have the following powers:

- (1) Formulate district-wide educational policies;
- (2) Select principals to manage the schools in the board's district;
- (3) Authorize the principal of each school to make the decisions affecting student performance, educational quality, and use of resources;
- (4) Evaluate principals managing schools in the board's district;
- (5) Administer programs that schools cannot administer alone; and
- (6) Provide for school choice.

The detail explaining how those powers would be exercised is included in the companion measure, House Bill No. 2332, which will be scheduled for hearing next week. The bottom line is that these provisions place as much power as possible in each school. They empower the principal to make the critical decisions that affect the quality of education in that school, and hold the principal accountable for the results.

The second new section establishes the Education Standards and Accountability Commission (ESAC). The ESAC has a narrow role, and its powers are accordingly limited. The ESAC's primary duties are to provide for accountability in public education, and to ensure that funds for education are distributed in a fair manner. Its specific powers are limited to the following:

- (1) Establish and maintain rigorous academic and data-reporting standards applying to all districts within the statewide public education system;
- (2) Ensure that the school districts operate in an open manner;
- (3) Publish annual report cards on each district's financial management and overall performance;
- (4) Ensure all state and federal mandates are fulfilled;
- (5) Establish a formula for distributing general funds for school operations to all public schools based on the number and needs of students enrolled at each school;
- (6) Establish a formula for distributing capital improvement project (CIP) funds to the school districts; and
- (7) Administer programs that the school districts cannot administer alone.

Again, the detail supporting the exercise of those powers is contained in HB 2332.

The constitutional amendment would further require the Legislature to appropriate lump sums to the ESAC for school operations and CIPs. The ESAC would

then allocate the operations moneys to the local school boards based on the “weighted student formula” that the Administration and many members of the Legislature support. The ESAC would also establish a formula for fairly distributing CIP funds to the school boards.

The other amendments to the Constitution include the repeal of all references to the BOE, and the replacement of all reference to the BOE with local school boards in Article XVI, section 4.

Rather than call for an immediate repeal of the BOE and DOE, this bill anticipates a two-year transition phase to ensure a smooth transition from the old to the new public education system. That is why the existing constitutional provisions relating the BOE and DOE will remain intact until July 1, 2006, contingent on the ratification of this proposal by the electorate.

Thank you for the opportunity to present testimony. I am happy to answer any questions that you might have regarding the technical details of the bill.